



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Number:: **200702042**
Release Date: 1/12/07
Date: October 17, 2006
UIL: 513.00-00

Contact Person:

Identification Number:

Contact Number:

Employer Identification Number:

Form Required To Be Filed:

1120

Tax Years:

All

Dear :

This is our final determination that you do not qualify for exemption from Federal income tax as an organization described in Internal Revenue Code section 501(c)(3). On August 12, 2005, we sent you a letter in response to your application that proposed an adverse determination. The letter explained the facts, law and rationale, and gave you 30 days to file a protest. You did file a protest, but recently advised us that you were withdrawing it and that you did not wish to pursue exemption. Because you withdrew your protest, the proposed adverse determination is now final.

Because you do not qualify for exemption as an organization described in Code section 501(c)(3), donors may not deduct contributions to you under Code section 170. You must file Federal income tax returns on the form and for the years listed above within 30 days of this letter, unless you request an extension of time to file. File the returns in accordance with their instructions, and do not send them to this office. Failure to file the returns timely may result in a penalty.

We will make this letter and our proposed adverse determination letter available for public inspection under Code section 6110, after deleting certain identifying information. Please read the enclosed Notice 437, *Notice of Intention to Disclose*, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in Notice 437. If you agree with our deletions, you do not need to take any further action.

In accordance with Code section 6104(c), we will notify the appropriate State officials of our determination by sending them a copy of this final letter and the proposed adverse letter. You should contact your State officials if you have any questions about how this determination may affect your State responsibilities and requirements.

If you have any questions about this letter, please contact the person whose name and telephone number are shown in the heading of this letter. If you have any questions about your Federal income tax status and responsibilities, please contact IRS Customer Service at 1-800-829-1040 or the IRS Customer Service number for businesses, 1-800-829-4933. The IRS Customer Service number for people with hearing impairments is 1-800-829-4059.

Sincerely,

Lois G. Lerner
Director, Exempt Organizations
Rulings & Agreements

Enclosure
Notice 437
Redacted Proposed Adverse Determination Letter
Redacted Final Adverse Determination Letter



**DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224**

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Date: August 15, 2005

SIN: 501.03-25

Contact Person:

Identification Number:

Contact Number:

Employer Identification Number:

Legend:

A =
B =
C =
V =
X =
Y =
Z =

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). Based on the information submitted, we have concluded that you do not qualify for exemption under that section. The basis for our conclusion is set forth below.

FACTS

You were incorporated during the Spring of 2004 for the specific purpose of "assisting community causes that benefit military members, including supporting educational initiatives and other enhancements to quality of life." Shortly after, you applied to the Internal Revenue Service for recognition under section 501(c)(3) of the Internal Revenue Code as an exempt private foundation. Your application described six activities:

- Video/DVD training materials on financial topics including credit reports, savings, planning for deployment, consumer loans. Materials to be provided to military personnel at no cost.
- Financial Fitness Classes for your service members at their military installations conducted by volunteers trained by you.
- Sponsorship funds to other exempt organizations operating in the military community that

increase the quality of life such as YMCA and the USO.

- Support funds for service members and families who have experienced a financial hardship
- Scholarship funds to promote education for military dependents
- Website containing articles on financial topics, financial tools, and links to financial Ebooks, descriptions of classes that are offered through the foundation and how military commanders can request a class to be organized on post.

All four of your officers and directors are also officers of a for-profit financial services company, X, that sells mortgages, insurance, and a variety of loans to military personnel. Your corporate name and logo and that of X are confusingly similar, as shown by the attached web pages. X will also be your primary source of revenue. You do not anticipate revenue from the sale of goods or services. You estimate that approximately 20% of your future revenue will be donations from individuals, other corporations, governmental entities and other exempt organizations. (Correspondence of December 20, 2004.)

Attached to your application was a document described as a policy to assure that you will not make expenditures on behalf of or have financial transactions with your disqualified persons in violation of the Tax Code. You represent that “if office space is necessary in the future,” you will enter into a lease with X stipulating that the space is furnished to you at “no charge.” Similarly, if you “should need consultants or a business manager,” you may need to hire personnel to work exclusively on your projects, and may hire current employees of your for-profit affiliate or its subsidiaries. You note that you are permitted to use telephones, copy machines, computers, and other equipment owned by the affiliate for free, and to the extent that you incur direct costs, you pay the bills directly. Although this is described as policy, there is no indication that it has formally been adopted by your board of directors.

The conditional language in which the document is written indicates that you do not now have, and do not necessarily contemplate having, a separate office or employees. You confirmed this in your letter of December 20, 2004 in which you stated that:

Given its purpose (which consists of educating and assisting military personnel and affiliated organizations with respect to financial fitness and budgeting through grants, financial fitness materials and courses that are conducted in a variety of locations) and current operational activities (which are currently in the formation stage), the Foundation does not feel that it needs office space at the present time. The Foundation has utilized certain of the Corporation’s employees to help with its current operations at no charge...approximately ten hours per month.

The financial data that you submitted shows no budget for salaries, none for rent, and a very modest amount for printing brochures, travel and accounting. You do not have separate officers, directors, employees, office space, office equipment or educational materials. Thus, you have not submitted any evidence of an existence separate from your founding for-profit affiliate.

One of your purposes is to “enhance the quality of life for military personnel” by contributions to other organizations in the “military community.” Some of the target

organizations mentioned in your application are independent ones of long standing such as the YMCA and the United Service Organizations. However, your web site does not mention them, rather, it names "Angel Flight America" and "American Freedom Foundation" as the recipients of your "sponsorship." Both of these organizations share directors with you and the for-profit affiliate.

A second purpose is providing financial education to military personnel. Your application asserts that the content is "solely educational...the preparation of material will follow procedures generally accepted as educational...[and you] will generally provide material to military personnel and their families at no cost...[and] will sell no advertising space...." A comparison of your website and that of X shows substantial overlap. Every article and book available through your website is also available through your for-profit affiliate which licensed you to distribute some of its materials.

The content of the articles promotes financial services "professionals" and short term loans such as those issued by X. (See attachments) In your article on "Credit Cards," a credit card transaction of \$1000 at 12% is compared to a loan. The reader is told "you would be better off if you had a fixed rate loan of \$1000 at virtually any interest rate. Even at twice the credit card rate (24 percent), the charges would only have resulted in \$134.72, compared to \$407.48 on the prior credit card example." The article concludes with the advice that "Consulting with a financial advisor, either on your military installation or in your community, allows you to find out how much you owe creditors, what your credit report says about you, and how to eliminate debt."

In the article titled "Breaking the Debt Cycle" the reader is told that the annual percentage rate of 651% for a \$100 loan for 14 days at a fee of \$25 "may seem like an excessively high interest rate, but the reality is simply the \$25 cost." The article goes on to describe "another financial myth is that 'low cost' credit cards are better than 'more expensive' installment loans." The article advises that a company should "not want to approve a loan that would result in your family's total debt payments exceeding 40 percent of your income." It concludes by saying "You must also make sure to research the company you are working with to make sure they are truly dedicated to helping the families of military service members."

Another way in which you plan to provide financial education is by training volunteers to "conduct classroom instruction for service members at their military installation." (Application, Part II) You stated that the instruction will be given by volunteers with "experience in financial fitness education with military service members and their families, have attended Foundation training sessions..." You anticipate that the instruction will consist of excerpts from the books that you and the for-profit distribute. You state in your correspondence of December 20, 2004 that "Instructors will absolutely not market financial services and/or products provided by the Corporation."

We understand from recent news articles (see attached) that there is some controversy about allowing for-profit businesses access to military personnel on base. In the absence of any evidence to the contrary, we conclude that the volunteers that will meet your description and be motivated to teach from the books that X sells will in fact be employees of X.

You described your partnership with a University as concerning “solely ...scholarship funds flowing from the Foundation to [the] University.” However, the agreement, which you attached to your correspondence of December 20, 2004, contains many other provisions, some of which do not distinguish between your responsibilities and those of X, also a party to the memorandum of agreement with the University:

- The University will create and staff a “virtual campus center” to serve X’s clients;
- The University will cooperate with X to “design and implement...programs focused on the needs” of X’s clients;
- The programs may include the use of texts and other materials owned by X, and if used by the University, will be sold directly by X;
- X will “promote the [University] Programs” including “distribution of ...promotional materials via handouts, email, face-to-face presentations, special events, and educational seminars jointly sponsored;”
- X will permit the University to determine how to effectively meet the need of its clients by “providing access” to your managers and customers;
- The parties will cooperate in joint press releases;
- You and X will contribute \$12,000 at the execution of the MOU, and may contribute additional funds up to \$60,000
 - In deciding whether to make additional contributions, X will consider contributing up to \$4,000 to fund a scholarship for every 100 applicants received by the University;
 - The University will require each recipient to allow his name and photograph in recognition and promotional materials;
 - To the extent permitted the U.S. Military Services, the University will distribute scholarship promotional materials at the University’s military campus centers and to all other campus centers serving a significant military market;
 - The University will provide opportunities for representatives to participate in formal presentations of the scholarships;
- The parties understand that the first year of their relationship under this MOU will be an opportunity to work together in a relationship which will benefit X’s clients and both parties agree to aggressively work together to deliver the University programs to the affiliate’s clients in the quickest timeframe possible.

Taken together, these provisions appear to be a way to promote the identity and services of X to military personnel in a positive context. They constitute a sophisticated marketing campaign. It appears that the University also expects concrete advantages from the relationship, in particular, hundreds of applicants for scholarships who may not have otherwise considered attending University programs.

LAW

Section 501(c)(3) of the Internal Revenue Code exempts from federal income tax corporations organized and operated exclusively for charitable, educational, and other purposes, provided that no part of the net earnings inure to the benefit of any private shareholder or individual.

Section 4941 of the Code imposes a tax on each act of self-dealing between a disqualified person and a private foundation.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations provides that, in order to be exempt as an organization described in section 501(c)(3), an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(b)(1)(i) of the regulations provides that an organization is organized exclusively for one or more exempt purposes only if its articles of organization:

- (a) Limit the purposes of such organization to one or more exempt purposes; and
- (b) Do not expressly empower the organization to engage, otherwise than as an insubstantial part of its activities, in activities that in themselves are not in furtherance of one or more exempt purposes.

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as “operated exclusively” for one or more exempt purposes only if it engages primarily in activities that accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(c)(2) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. Section 1.501(a)-1(c) defines the words “private shareholder or individual” in section 501 to refer to persons having a personal and private interest in the activities of the organization.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations assigns the burden of proof to an applicant organization to show that it serves a public rather than a private interest and specifically that it is not organized or operated for the benefit of private interests, such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests.

Section 1.501(c)(3)-1(d)(2) of the regulations provides that the term “charitable” is used in section 501(c)(3) of the Code in its generally accepted legal sense and includes the relief of the poor and distressed or of the under privileged as well as the advancement of education.

Section 1.501(c)(3)-1(d)(3) of the regulations provides that the term “educational” refers to:

- (a) The instruction or training of the individual for the purpose of improving or developing his capabilities; or
- (b) The instruction of the public on subjects useful to the individual and beneficial to the community.

Section 1.501(c)(3)-1(e)(1) of the regulations provides that an organization may meet the requirements of section 501(c)(3) although it operates a trade or business as a substantial part of its activities, if the operation of such trade or business is in furtherance of the organization's exempt purpose or purposes and if the organization is not organized or operated for the primary purposes of carrying on an unrelated trade or business.

In Better Business Bureau of Washington D.C., Inc. v. United States, 326 U.S. 279 (1945), the Supreme Court held that the presence of a single non-exempt purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly exempt purposes. The Court found that the trade association had an "underlying commercial motive" that distinguished its educational program from that carried out by a university.

Operating for the benefit of private parties constitutes a substantial nonexempt purpose. Old Dominion Box Co. v. United States, 477 F. 2d 340 (4th Cir. 1973), cert. denied 413 U.S. 910 (1973). The court found that a foundation that engaged in a series of trades in the securities of companies owned and managed by the same people who were the officers of the foundation did so to inflate the value of one of the securities to provide a larger deduction against income tax for one of the officers. It was not merely investing funds in the ordinary course of conducting its charitable business.

In American Institute for Economic Research v. United States, 302 F. 2d 934 (Ct. Cl. 1962), the Court considered an organization that provided analyses of securities and industries and of the economic climate in general. It sold subscriptions to various periodicals and services providing advice for purchases of individual securities. The court noted that education is a broad concept, and assumed *arguendo* that the organization had an educational purpose. However, the totality of the organization's activities, which included the sale of many publications as well as the sale of advice for a fee to individuals, were indicative of a business. Therefore, the court held that the organization had a significant non-exempt commercial purpose that was not incidental to the educational purpose, and was not entitled to be regarded as exempt.

The court in est of Hawaii v. Commissioner, 71 T.C. 1067(1979) found that an organization formed to educate people in Hawaii in the theory and practice of "est" was a part of a "franchise system which is operated for private benefit," and therefore may not be recognized as exempt under section 501(c)(3) of the Code.

The applicant for exempt status was not formally controlled by the same individuals controlling the for-profit organization owning the license to the est body of knowledge, publications, methods, etc. However, the for-profit exerted "considerable control" over the applicant's activities by setting pricing, the number and frequency of different kinds of seminars and training, and providing the trainers and management personnel who are responsible to it in addition to setting the price for the training. "In short, petitioner's only function is to present to the public for a fee ideas that are owned by International with materials and trainers that are supplied and controlled by est, inc." The court also found that the fact that the applicant's rights were dependent upon its tax-exempt status showed the likelihood that the for-profit corporations were trading on that status.

The question for the court was not whether the payments made to the for-profit were excessive, but whether it benefited substantially from the operation of the applicant. The court determined that there was a substantial private benefit because the applicant “was simply the instrument to subsidize the for-profit corporations and not *vice versa* and had no life independent of those corporations.”

In P.L.L. Scholarship Fund v. Commissioner, 82 T.C. 196 (1984), an organization operated bingo at a bar (a for-profit enterprise) for purposes of raising money for scholarships. The board of directors included the bar’s owners and accountant, and two other persons. The court reasoned that, because the bar owners controlled the organization and appointed its directors, the organization’s fundraising activities could be used to the advantage of the bar owners, and thus, provide them with a maximum private benefit.

The organization claimed that it was independent because there was a separate accounting and that no payments were going to the bar. The court maintained that the organization’s and the bar’s activities were so interrelated as to be “functionally inseparable.” A separate accounting did not change that fact. Thus, the organization did not operate exclusively for exempt purposes, but rather benefited private interests – the bar owners. Exemption was properly denied.

In Church By Mail, Inc. v. Commissioner, T.C. Memo 1984-349, *aff’d* 765 F. 2d 1387 (9th Cir. 1985) the tax court found that a church was operated with a substantial purpose of providing a market for an advertising and mailing company owned by the same people who controlled the church. The church argued that the contracts between the two were reasonable, but the Court of Appeals pointed out that “the critical inquiry is not whether particular contractual payments to a related for-profit organization are reasonable or excessive, but instead whether the entire enterprise is carried on in such a manner that the for-profit organization benefits substantially from the operation of the Church.”

In American Campaign Academy, 92 T.C. 1053 (May 16, 1989), the court found that a school for campaign workers was operated for the benefit of the private interest of the Republican party and candidates even though the organizations were formally separate, and no portion of the applicant’s net earnings inured to private shareholders or individuals. The court enumerated many indirect connections of funding and directors, and found that all of the students worked for Republican candidates or organizations, thus conferring a substantial purpose that could not be considered incidental to its educational purpose.

In Redlands Surgical Services v. Commissioner, 113 T.C. 47 (1999), the Tax Court examined a joint venture between a for-profit hospital system and an exempt organization to own and operate an ambulatory surgery center, managed by a for-profit affiliate of the for-profit partner. The court stated:

An organization’s purposes may be inferred from its manner of operations; its “activities provide a useful indicia of the organization’s purpose or purposes.”
Living Faith, Inc. v. Commissioner, 950 F. 2d 365 (7th Cir. 1991), *aff’d*. T.C. Memo. 1990-84...To the extent that petitioner cedes control over its sole

activity to for-profit parties having an independent economic interest in the same activity and having no obligation to put charitable purposes ahead of profit-making objectives, petitioner cannot be assured that the partnerships will in fact be operated in furtherance of charitable purposes.

In Rev. Rul. 61-170, 1961-1 C.B. 112, an association composed of professional private duty nurses and practical nurses that supported and operated a nurses' registry primarily to afford greater opportunities for its members was not entitled to exemption under section 501(c)(3) of the Code. Although the public received some benefit from the organization's activities, the primary benefit of these activities was to the organization's members.

In Rev. Rul. 80-287, 1980-2 C.B. 185, a lawyer referral service that aids persons who do not have an attorney by helping them to select one was not entitled to exemption under section 501(c)(3) of the Code. Although the service provides some public benefit, its principal purpose is to introduce individuals to the use of the legal profession in the hope that they will enter into lawyer-client relationships on a paying basis as a result of their experience.

RATIONALE

Based on your representations, we find that you are not operated exclusively for exempt purposes. Accordingly, you do not qualify for exemption as an organization described in section 501(c)(3) of the Code and you must file federal income tax returns.

Your founding documents and application for exempt status reflect intentions to engage in several activities that could support exempt purposes: making grants to organizations that support military personnel, distributing educational materials on personal finance, and training instructors in financial topics to prepare them to teach such topics on military bases. The regulations provide that the term charitable in section 501(c)(3) of the Code includes the relief of the poor and the advancement of education.

However, exempt organizations must operate exclusively for exempt purposes. The term "exclusively" has been interpreted to mean "primarily." See section 1.501(c)(3)-1(c)(1) of the regulations and *Better Business Bureau, supra*. One substantial non-exempt purpose is sufficient to prevent exemption. *Better Business Bureau, supra*. The Supreme Court found that the "underlying commercial motive" of the applicant in that case destroyed its educational purpose. In *American Economic Institute, supra*, the court found that although the organization may have had an educational purpose, its many commercial activities were indicative of a significant non-exempt commercial purpose.

Your relationship to the commercial entity X prevents you from operating exclusively for exempt purposes. All of your officers and directors are also officers of X. You have no separate employees, no office space, no office machines or equipment other than those donated by X. Your modest budget for printing and travel only allows you to distribute the materials developed by X, rather than new materials that you develop independently. Like the organization in *est of Hawaii, supra*, you are totally dependent upon your for-profit creator for material as well as operations. Your creator is depending upon your exempt status, like the applicant in *est*. While you have a formal corporate entity, like the organizations in *P.L.L Scholarship Fund*, you and

your for-profit affiliate are functionally inseparable. Looking at the relationship another way, it appears that like Redlands, you have ceded control to a for-profit that has an independent financial interest in your activities and no obligation to operate for exempt purposes. Because you have no ability to function independently, we conclude that you will be unable to assure that you operate exclusively for exempt purposes.

If net earnings of the organization inure to the benefit of persons having a personal interest in the activities of the organization, it is not operated exclusively for exempt purposes. Section 1.501(c)(3)-1(c)(2) of the regulations, *supra*. The benefit conferred may be indirect, as in *Old Dominion Box*, *supra*, where the foundation's trade in securities raised their price and thus allowed the donor to increase the tax deduction that he took for donating them. The benefit conferred need not be monetary. *American Campaign Academy*, *supra*. In any case, the burden is on the applicant to show that it serves the public rather than a private interest, such as that of the creator of the organization. Section 1.501(c)(3)-1(d)(1)(ii), *supra*.

The courts have long regarded the provision of commercial benefits to a related for-profit as a substantial non-exempt purpose. For examples, see *est*, *PLL Scholarships*, *Church By Mail*, and *Redlands*. Thus, even assuming that you have a valid educational purpose, your substantial commercial purpose of benefiting X is sufficient to bar recognition under section 501(c)(3).

You are operated to provide a specific benefit to the commercial entity that created you. Based upon the materials that you submitted, and the activities reflected on your website, it appears that you were created to provide a vehicle for distributing X's financial materials on military bases. You do not have any activity or purpose apart from X. X is a party, in fact a more active party, to the MOU with V. X also distributes the same financial materials as you do from its own website. X develops the materials that you distribute.

You stated that your volunteer instructors will not market financial services or products of your for-profit affiliate. In fact, such mention appears to violate military regulations. However, your entire operation is designed to indirectly promote X's corporate identity and its products.

Your application evidences a primary purpose of assisting X in continuing its commercial activities on military bases. If the military enforces its regulations about selling financial services to military personnel more strictly, you can provide access. Your name, your staff and your educational materials overlap with those of X. If you can gain admittance to military bases when X cannot, you can build awareness and goodwill for X. Furthermore, much of your educational material advises the reader to consult financial advisors and use short-term loans rather than credit cards, both significant parts of the business of X.

Your joint agreement with X and V provides substantial benefits to X. The amount of scholarship money that you intend to provide, \$4000 for each 100 applicants, appears to be insignificant. It appears to function as an inducement to increase the numbers of applicants rather than a serious undertaking to support higher education. In return, X will gain an additional avenue to serve its clients and an additional market in which to sell its materials. Equally important, it will gain goodwill and recognition among the many military students of V, and thus potential new clients. The provisions of the agreement detail many desired

opportunities for public exposure such as mutual distribution of materials, attendance at formal presentations, and securing the use of names and pictures of recipients of scholarships.

The Code contains an absolute prohibition on the inurement of the net earnings of an exempt organization to any private shareholder or individual. Section 501(c)(3). The regulations define private shareholder or individual as persons having a personal and private interest in the activities of the organization. Section 1.501(a)-1(c). Applicants have the burden of proof to show that they serve the public rather than the private interests of designated individuals, the creator, or persons controlled, directly or indirectly by such private interests. Section 1.501(c)(3)-1(d)(1)(ii).

Your officer, A, is the owner of more than 20% of the voting power of X, which is your primary contributor. Therefore, any benefit that you confer on X constitutes inurement to A and to X. As discussed, your operations benefit X by promoting its name and services among military personnel, by conducting classes on military bases that are closed to commercial enterprises, by distributing its publications through classes on the bases and through your relationship with Y, and by using your relationship with Y to further enhance X's image of supporting of military families.

In addition, you may be engaging in self-dealing by making donations to separate organizations with which other officers are affiliated. Your officer B is a director of Y, and your officer C is the founder and past officer of Z.

Contributions to you are not deductible under section 170 of the Code.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views to this office, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practices Requirements.

If you do not protest this ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Code provides, in part, that a declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within 30 days, this ruling will become final and a copy will be forwarded to the Ohio Tax Exempt and Government Entities (TE/GE) office. Thereafter, any questions about your federal income tax status should be directed to that office, either by calling 877-829-5500 (a toll free number) or sending correspondence to: Internal Revenue Service, TE/GE Customer Service, P.O. Box 2508, Cincinnati, OH 45201. The appropriate State Officials will be notified of this action in accordance with Code section 6104(c).

In the event this ruling becomes final, it will be made available for public inspection under section 6110 of the Code after certain deletions of identifying information are made. For details, see enclosed Notice 437, *Notice of Intention to Disclose*. A copy of this ruling with deletions that we intend to make available for public inspection is attached to Notice 437. If you disagree with our proposed deletions, and do not intend to protest our denial of exempt status, you should follow the instructions in Notice 437.

If you decide to protest this ruling, your protest statement should be faxed to _____ or sent to the address shown below. If you also disagree with our proposed deletions, you should send your comments on the deletions with your protest statement, and not to the address shown in Notice 437.

Internal Revenue Service
TE/GE (SE:T:EO:RA:T:)

1111 Constitution Ave, N.W., PE-
Washington, D.C. 20224

If you do not intend to protest this ruling, and if you agree with our proposed deletions as shown in the letter attached to Notice 437, you do not need to take any further action.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Lois G. Lerner
Director, Exempt Organizations
Rulings & Agreements

Enclosure
Notice 437
Copies of Web pages